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Intergovernmental Preparatory Committee for the International Ministerial Conference of Landlocked and Transit Developing Countries, and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

Report of the Intergovernmental Preparatory Committee for the International Ministerial Conference of Landlocked and Transit Developing Countries, and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation on its first session

I. Introduction

1. In its resolution 56/180 of 21 December 2001, the General Assembly requested the Secretary-General to convene in 2003 an International Ministerial Conference of Landlocked and Transit Developing Countries, and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, to review the current situation of transit transport systems, including the implementation of the Global Framework for Transit Transport Cooperation of 1995, and to formulate, inter alia, appropriate policy measures and action-orientated programmes aimed at developing efficient transit transport systems.

2. In its resolution 57/242, the General Assembly decided that the open-ended intergovernmental preparatory committee for the Conference would hold two sessions, that the sixth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representative of Donor Countries and Financial and Development Institutions, to be held in New York from 23 to 27 June 2003, would serve as the first session and would address both substantive and organizational matters, and that the Meeting of Senior Officials, to be held at Almaty from 25 to 27 August 2003, would serve as the second session.

II. Organizational matters

A. Opening and duration of the first session

3. The Preparatory Committee held its first session at United Nations Headquarters from 23 to 27 June 2003. During the session, the Committee held nine

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plenary meetings to consider all the agenda items, including the draft outcome of the Conference, and one informal meeting. One plenary meeting was devoted to a high-level panel discussion.

4. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States acted as the substantive secretariat, while the Disarmament and Decolonization Affairs Branch, Department of General Assembly Affairs and Conference Management served as secretariat of the Preparatory Committee.

5. The session was opened by Anwarul K. Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and Secretary-General of the Ministerial Conference, who conducted the election of the Chairman of the Preparatory Committee.

B. Officers

6. At its 1st meeting, on 23 June 2003, the Preparatory Committee elected the following officers by acclamation:

Chairman:

Mr. Pier Benedetto Francese (Italy)

Vice-Chairpersons:

The representatives of the following countries: Armenia, Ethiopia, the Islamic Republic of Iran, Japan, Lesotho (Rapporteur), Namibia, Nepal, Paraguay and Peru.

C. Adoption of the agenda

7. At the 1st meeting, on 23 June 2003, the Preparatory Committee adopted its programme of work and the following agenda, as contained in document A/CONF.202/PC/1*:

1. Opening of the session.
2. Adoption of the agenda and programme of work.
3. Election of the Bureau.
4. Consideration of the draft outcome of the Conference.
5. Other business.
6. Adoption of the report of the Committee on its first session.

D. Documentation

8. The Committee had before it the following documents:

Annotated provisional agenda and organization of work (A/CONF.202/PC/1*);

State of preparations for the International Ministerial Conference, including the outcomes of the regional and subregional level preparations: Report of the Secretary-General (A/CONF.202/PC/2);

Provisional rules of procedure for the Conference (A/CONF.202/PC/3);

Draft outcome of the Conference. Note by the Secretariat (A/CONF.202/PC/L.1 and Corr.1).

III. Organization of work

9. At the 1st meeting, on 23 June 2003, the Secretary-General of the Ministerial Conference introduced the report of the Secretary-General (A/CONF.202/PC/2).

10. In introducing the report, the Secretary-General of the Ministerial Conference commented extensively on the preparatory process and the outcome of the regional preparatory meetings in Africa, Asia and Latin America. He drew the attention of delegations to the fact that the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States had to accomplish the substantive and organizational groundwork for the Conference, including seeking voluntary contributions, within the very short time allocated by the General Assembly to the preparatory process.

11. The Secretary-General of the Ministerial Conference also introduced the draft Almaty Programme of Action, prepared by the Office of the High Representative in consultation with the relevant offices of the United Nations and other international organizations.

12. The Chairman of the Preparatory Committee made a statement on the substantive and organizational aspects of the work of the Committee.

13. The Deputy Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) made a statement.

14. The representative of Paraguay and the representatives of the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Africa made statements as hosts of the regional preparatory meetings.

15. The representatives of the following delegations made general statements: Armenia, Azerbaijan, Bolivia, China, Chile, Greece (on behalf of the European Union, the acceding countries of Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia; the associated countries of Bulgaria and Romania, as well as the European Free Trade Association countries members of the European Economic Area, and Liechtenstein, aligned themselves with the statement), India, Japan, Kazakhstan, the Lao People's Democratic Republic (on behalf of the Group of Landlocked Developing Countries), Nepal, Pakistan, Peru and the Economic Commission for Europe.

16. In accordance with the programme of work, at its 3rd meeting, on 24 June 2003, the Committee held a high-level panel discussion, moderated by the Secretary-General of the Conference. Professor Jeffrey Sachs addressed the Preparatory Committee as the keynote speaker. The panellists were: Mr. Hafiz Pasha, Assistant Secretary-General and Regional Director for Asia and the Pacific, United Nations Development Programme; Ms. Maryvonne Plessis-Fraissard,

Director-designate for Transport and Urban Development, World Bank; and Mr. Amos Marawa, Director, Infrastructure Development, Common Market for Eastern and Southern Africa. The panellists made presentations and participated in an interactive dialogue with the representatives of Member States. The panel discussion was followed by the screening of a film on transit transport problems faced by the Northern Corridor in Eastern Africa.

17. On 26 June, Mr. Kazhmurat Nagmanov, the Minister of Transport and Communications of Kazakhstan, as the representative of the country hosting the Ministerial Conference, held a briefing for delegations on some aspects of the preparation of the Conference.

IV. Consideration of the draft outcome of the Conference

18. The Committee considered item 4 of its agenda at its 2nd, 4th, 5th, 6th, 7th and 8th meetings, between 23 and 27 June 2003. Representatives of Member States made comments and suggestions on the draft outcome document of the Conference, entitled "Almaty Programme of Action: Partnerships to address special needs of landlocked developing countries" (A/CONF.202/PC/L.1 and Corr.1).

19. Based on these comments and suggestions, the Chairman of the Preparatory Committee, at the 7th meeting, presented a Chairman's text, which was an updated version of the draft outcome document.

V. Recommendations and decisions of the Committee

20. At its 9th meeting, on 27 June 2003, the Preparatory Committee considered and recommended for adoption by the Ministerial Conference the provisional rules of procedure contained in document A/CONF.202/PC/3.

21. The Preparatory Committee decided to annex the Chairman's text of the draft outcome of the Conference to the present report.

22. The Preparatory Committee also decided to consider and take action on the Chairman's text of the draft outcome of the Conference at its second session, to be held in Almaty from 25 to 27 August 2003.

VI. Adoption of the report of the Preparatory Committee on its first session

23. At the 9th meeting, on 27 June, the Rapporteur, Ms. Limakatso Motjope (Lesotho), introduced the draft report of the Preparatory Committee on its first session (A/CONF.202/PC/L.2).

24. At the same meeting, the Committee adopted the draft report on its first session (A/CONF.202/PC/L.2), as orally amended.

Annex

Chairman's text of the draft outcome of the Conference

Almaty Programme of Action:

[Partnerships to address special needs of landlocked developing countries]

[A new global framework for transit transport cooperation for landlocked and transit developing countries]

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I. Introduction

1. The United Nations Millennium Declaration, adopted by heads of State and Government on 8 September 2000, laid out a set of development goals which call for the creation of an environment at national and international levels conducive to development, among other things. It recognized the special needs and problems of the landlocked developing countries, which were also addressed by recent major United Nations conferences such as the Third United Nations Conference on the Least Developed Countries (Brussels, 2001), the International Conference on Financing for Development (Monterrey, 2002) and the World Summit on Sustainable Development (Johannesburg, 2002). The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation has been convened pursuant to General Assembly resolution 56/180, entitled "Specific actions related to the particular needs and problems of landlocked developing countries", to review the current situation of transit transport systems, including the implementation of the Global Framework for Transit Transport Cooperation of 1995, and to formulate, inter alia, appropriate policy measures and action-oriented programmes aimed at developing efficient transit transport systems.

2. Landlocked developing countries, as a group, are among the poorest of developing countries, with limited capacities and dependence on a very limited number of commodities for their export earnings. In addition, throughout the 1990s the growth rate of the landlocked developing countries has been in general negative or very slow. Lack of territorial access to the sea, remoteness and isolation from world markets have contributed to their relative poverty, substantially inflating transportation costs and lowering their effective participation in international trade. The trade-reducing effect is strongest for transport-intensive activities. Most, if not all, landlocked developing countries are commodity exporters. The very high transport costs which they must bear constrain export development since that burden limits the range of potential exports and markets in which goods can be competitively and profitably traded. The price of imports tends to soar because of high transit transport costs.

3. In most cases, the transit neighbours of landlocked developing countries are themselves developing countries, often of broadly similar economic structure and beset by similar scarcities of resources. The least developed transit countries are in an especially difficult situation. Also transit developing countries bear additional burdens, deriving from transit transport and its financial, infrastructural and social impacts. Transit developing countries are often themselves in need of improvement of technical and administrative arrangements in their transport systems to which their landlocked neighbours are expected to link.

II. Partnerships

4. Efficient transit transport systems can only be established through genuine partnerships between landlocked and transit developing countries, with the assistance, as appropriate, of their development partners, and through partnerships between public and private sectors at the national, subregional, regional and global levels. Partnerships should be based on the mutual benefits deriving from the specific actions that major stakeholders have agreed to undertake in the present

programme of action in order to establish efficient transit transport systems. However, the international community, including financial and development institutions and donor countries, should provide more support to enable those countries to deal effectively with their transit transport problems and requirements.

5. The efficiency of transit transport systems will depend on the promotion of an enabling environment in both landlocked and transit developing countries for effective policy-making and resource mobilization and on cooperative arrangements between landlocked developing countries and their transit neighbours. An effective strategy to improve transit transport systems requires action at the regional and subregional levels for the effective solution of transit problems, which would enable significant economies of scale, particularly relevant for landlocked developing countries. This cooperation must be promoted on the basis of the mutual interest of both landlocked and transit developing countries.

6. In this respect, the role of the private sector must be taken into account. The private sector, as the service provider and as the user of transit transport services, is an important stakeholder in society and a main contributor to the development of infrastructure and productive capacity in both landlocked and transit developing countries.

7. The costs of establishing and maintaining an efficient transit transport system often pose a daunting challenge to the landlocked and transit developing countries. Their development partners can play an important role in supporting and assisting them in their efforts to establish efficient transit transport systems.

8. The interests and concerns of landlocked and transit developing countries and their development partners in establishing efficient transit transport systems should be considered complementary and mutually reinforcing.

9. Regional and subregional integration can play an important role in successfully addressing the specific problems of transit transport from, in and through developing countries. Regional integration initiatives can also facilitate the participation of landlocked and transit developing countries in the global economy, better sharing its benefits and containing its negative effects. In this context, the support of donor countries to mechanisms of regional and subregional dialogue among landlocked and transit developing countries is important.

III. Objectives

10. The objective of the present Programme of Action is to address a global framework for transit transport cooperation among landlocked and transit developing countries, examining fundamental transit policy issues, infrastructure development, trade and trade facilitation, international support measures and implementation and review, and to promote the establishment of an efficient transit transport system and its maintenance over time in the interest of both landlocked and transit developing countries. The Programme of Action thus aims to: (a) secure unfettered access to the sea by all means of transport; (b) reduce costs and improve services so as to increase the competitiveness of their exports; (c) reduce the delivered costs of imports; (d) free trade routes from delays and uncertainties; (e) develop adequate national networks; (f) reduce loss, damage and deterioration en route; (g) open the way for export expansion.

IV. Priorities

Priority 1
Fundamental transit policy issues

11. It is important that landlocked and transit developing countries review and revise their regulatory frameworks, where necessary, to allow a greater participation of the private sector; introduce reform measures to make providers of transport services more responsive to user demands; establish streamlined administrative procedures; promote the use of information technology; and strengthen training programmes in the sector. Transport strategies and programmes, particularly where they involve regulation of transport operations or construction of major new infrastructure, need to take full account of environmental aspects and include measures to minimize environmental impact at local and global levels. These should be an integral part of a policy reform programme and of a poverty reduction strategy.

12. International conventions on transport and transit, as well as regional and bilateral agreements, ratified by landlocked and transit developing countries are the main vehicles by which the harmonization, simplification and standardization of rules and documentation can be achieved.

13. At the international level, development partners, in particular the multilateral aid agencies, should give high priority to sustainable transportation project financing. New infrastructure investment through public/private partnerships involving official development assistance and private sector investment would also be important.

14. The following **specific actions** are needed:

(a) An integrated approach to transport sector development is needed that takes into account social and economic aspects, as well as physical, policy, procedural and institutional considerations;

(b) Landlocked and transit developing countries need to give a high priority to developing and modernizing existing facilities and to increasing the commercial orientation of transport and infrastructure;

(c) Reform in the transport sector should be actively pursued with the greater involvement of the private sector;

(d) The establishment of regional transport corridors and the adoption of common rules and standards, where appropriate, should play a major role in transit transport facilitation. In that regard, the role of the regional commissions and subregional organizations should be further strengthened. The regional commissions and subregional organizations, especially those in Africa, need further assistance from the international community;

(e) The existing institutional mechanisms at the policy and operational levels to monitor and promote the implementation of agreements and arrangements involving landlocked and transit developing countries should be further strengthened. There is a need to promote public/private sector dialogue and cooperation, with the assistance of development partners as appropriate;

(f) Efforts should be made to promote integrated training programmes encompassing all levels, from the top management to low-level operators, in both the public and private sectors.

Priority 2
Infrastructure development and maintenance

15. Inadequate infrastructure is a major obstacle to establishing efficient transit transport systems in landlocked and transit developing countries. The deterioration of transport infrastructure is a general problem that affects both. Communications facilities are required to facilitate advance knowledge of transport service availabilities and to ensure smooth and speedy transit. Addressing these needs will involve considerable investment, capacity-building, new policies and institutional reform. The share of national resources and official development assistance allocated to infrastructure development in landlocked developing countries is very limited. Also, the challenge of establishing adequate infrastructure facilities and of remedying the deterioration of existing transport infrastructure in both landlocked and transit developing countries goes beyond the public sector and also requires the support of development partners.

16. A prerequisite for successfully attracting private investment in infrastructure projects is a sound regulatory and institutional framework. Regional and subregional economic cooperation and integration can help to overcome problems of market size, especially in landlocked developing countries, and attract the private sector to invest in infrastructure development. In this context, the New Partnership for Africa's Development (NEPAD) is an important initiative, as most landlocked and transit developing countries are in this continent. NEPAD links investment and good governance, and should boost the creation of subregional and regional infrastructure. The special needs of landlocked developing countries should be taken into careful consideration in the implementation of the trans-African highways, Asian highways and trans-Asian railway projects, as well as the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) and the Transport Corridor Europe-Caucasus-Asia (TRACECA).

17. The following **specific actions** are needed:

(a) Landlocked and transit developing countries should allocate a greater share of public investment to the development of infrastructure;

(b) Landlocked and transit developing countries should make every effort to provide a conducive environment for using all transport modes in transit transport services in order to encourage competition between different transport modes, particularly road and rail transport. At the same time, capacities and legal regimes for muti-modal transport operations should be further developed;

(c) Particular attention should be given to constructing "missing links" in the regional transport network;

(d) Private-sector participation should be encouraged, also by development partners, in transit transport infrastructure development, through co-financing and playing a catalytic role in attracting foreign direct investment;

(e) Private-public partnership platforms along trade and transport corridors should be promoted through the development and extensive use of common information and communication technology-based management and monitoring systems.

A. Rail transport

18. Railways have an important role to play in the transit transport corridor systems linking ocean ports with landlocked countries. Major concerns are the persistent problem of limited availability of equipment, including locomotives and wagons, and poor maintenance standards. There are also additional problems associated with establishing inter-railway agreements.

19. The following **specific actions** are needed:

(a) The possibility of establishing new railway connections and rehabilitation programmes for existing railway facilities in conjunction with new technological improvements and innovations should be examined at the bilateral, subregional and regional levels;

(b) Landlocked and transit developing countries should, as a matter of priority, improve the maintenance of track and rolling stock, purchase new rolling stock and expand the railway network, where justified by traffic volume;

(c) Landlocked and transit developing countries should also pay special attention to the benefits of the harmonization of gauges, the expansion of training programmes and inter-railway staff exchange programmes;

(d) Governments should take the necessary initiative to adhere to relevant international conventions related to rail and combined transport, which provide internationally accepted rules for an efficient and safe environment of inter-country rail and combined transport operations.

B. Road transport

20. Road transport is an increasingly important mode of transport for the imports and exports of landlocked countries. In particular, road transport is the main mode of transit transport in Africa. For the expansion of the road transit infrastructure sizeable resource allocations are required. The key problem area, particularly with regard to international road transport, is poor maintenance, which is closely associated with the practice of overloading vehicles.

21. The following **specific actions** are needed:

(a) The subregional and regional infrastructure development plans should give high priority to transit corridors linking landlocked developing countries to the transport network in transit developing countries, as well as to the regional network;

(b) Landlocked and transit developing countries should consider taking the necessary initiatives to accede to and implement relevant international conventions related to road transport;

(c) At the bilateral, subregional and regional levels, consideration should be given to undertaking measures in order to liberalize road transport services and to

facilitate road operational planning and management, through expansion of the databases on road transit and review of the quota system and differential transit charges for trucking and of other measures such as roadblocks and custom supervisors' convoys.

C. Ports

22. The efficiency of port operations depends on adequate infrastructure and good management. Seaports continue to be a critical bottleneck in the transit system because of a range of physical inadequacies and operational constraints. Problems of quality of handling and storage facilities for transit cargo, cumbersome procedures for the clearing and release of cargo, congestion and the shortage of skilled manpower, are particularly relevant.

23. The following **specific actions** are needed:

(a) Landlocked and transit developing countries should seek cooperative arrangements to improve port facilities and services for transit goods, including establishment of new terminals, where appropriate;

(b) Expand the capacity to handle transit trade, also allowing private terminal operations to promote competition and encourage efficiency;

(c) A greater cooperation and coordination should be promoted between public and private institutions dealing with transit traffic in ports (customs administration, security personnel, port authorities, commercial banks, clearing and forwarding agents, insurance companies);

(d) The establishment of dry ports in landlocked countries should be promoted;

(e) Training programmes for port workers should be expanded to enable them to adapt to new technologies and procedures.

D. Inland waterways

24. Inland waterways provide transit services to some landlocked countries. The efficiency of transit services along such waterways requires better infrastructure, appropriate legal frameworks to govern river/lake navigational operations and more effective environmental and safety measures.

25. The following **specific actions** are needed:

(a) Further efforts should be undertaken to rehabilitate and expand the lake/river infrastructure facilities along the corridors linking landlocked countries to ocean ports;

(b) Consideration should be given to the establishment of legal and other arrangements for collaborative actions at the subregional level and to promote more efficient river/lake transit systems;

(c) The development of new waterways, where possible, should be explored.

E. Pipelines

26. Pipelines provide a cost-effective means of transport for both oil and natural gas. The planning and construction of pipelines require close cooperation between landlocked and transit developing countries. The substantive investments that are required for the construction of pipelines necessitate capital investment from the private sector.

27. The following **specific actions** are needed:

(a) Landlocked and transit developing countries should cooperate and coordinate to construct pipelines along the most cost-effective and shortest routes, taking into account the interests of both parties.

F. Air transport

28. Air transport offers landlocked countries a means of avoiding the transit problems associated with overland and overseas freight movements. However, only very high-value and low-bulk commodities can support the costs of airfreight rates.

29. The following **specific actions** are needed:

(a) Physical infrastructure facilities (aircraft, airport handling and storage) need to be expanded;

(b) Governments should liberalize their policies regarding the granting of traffic rights for freight on scheduled services and progressively lift any restrictions on cargo charter flights, making a more effective use of existing freight capacity possible;

(c) Pooling of air transport arrangements at the regional, subregional and bilateral levels should be further promoted to permit economies of scale;

(d) Training programmes at the national and subregional levels should be expanded.

G. Communications

30. The remoteness of landlocked developing countries from seaports and overseas markets, compounded by inadequate communication links with various ports and commercial centres, continues to be a major handicap inhibiting the rapid movement of transit cargo. Cargo monitoring systems, which give advance and tracking information on cargo moving within interfaces and along modes, could significantly reduce delays.

31. The following **specific actions** are needed:

(a) Telecommunications facilities should be expanded, private-sector participation in that regard encouraged and the management of such facilities be streamlined.

Priority 3
International trade and trade facilitation

32. Trade is an important engine for economic development. However, the participation of landlocked developing countries in international trade is severely limited. Also, a good number of the landlocked developing countries are not members of the World Trade Organization, and lack access to the trade preferences and special treatment for developing countries offered by that rule-based, non-discriminatory and predictable multilateral trading system.

33. One of the main causes of the marginalization of landlocked developing countries from the international trading system is high trade transaction costs. Trade and transport are inextricably linked. Transport is a key sector for international trade, for regional integration and for ensuring a balanced national development. Excessive transport costs create a major effective barrier to foreign markets.

34. Important sources of additional and avoidable costs and inefficiency include cumbersome border-crossing, customs procedures, documentation requirements and security measures, as well as costly bank transactions. Landlocked developing countries, with additional border crossings and transit dependence, are at a particular disadvantage.

35. International conventions and regional, subregional and bilateral agreements are the main means through which harmonization, simplification and standardization and the transparency of rules and procedures can be achieved.

36. The Ministerial Declaration adopted at the Fourth Ministerial Conference of the World Trade Organization, held in Doha in 2001, recognized the need for further expediting the movement, release and clearance of goods, including goods in transit, and the need for enhanced technical assistance and capacity-building in this area. Also, the decision in the same declaration that the World Trade Organization programme would address issues related to the trade of small, vulnerable countries and their full integration in the multilateral trading system was a welcome step for most landlocked developing countries.

37. The following **specific actions** are needed:

(a) The accession of landlocked developing countries to the World Trade Organization is encouraged. The accession process for landlocked developing countries should take into account their individual level of development, and development partners should provide assistance in this matter. The current negotiations on market access for agricultural and non-agricultural goods should consider giving particular attention to products of export interest to landlocked developing countries;

(b) The establishment of multilateral commitments in the World Trade Organization on trade facilitation, including on freedom of transit and simpler customs procedures, can benefit landlocked and transit countries by bringing greater stability, predictability and simplicity into the rules, requirements and measures governing their international trade. Strengthening of the relevant General Agreement on Tariffs and Trade/World Trade Organization provisions should be pursued with these objectives in mind and could be a catalyst for the adoption of several of the measures recommended in this Programme of Action;

(c) The market access facilitation programmes of the World Trade Organization should be extended to products of export interest to landlocked developing countries;

(d) More efforts are required to facilitate transit traffic through border posts, to expand the use of information technology, to implement efficient customs control systems and simplification of documents and procedures, and to strengthen the capacity-building of government agencies in the field of trade and trade facilitation;

(e) Landlocked and transit developing countries should consider adhering to and implementing effectively the international conventions and instruments that are applicable to various transport segments, including road, rail, inland waterways and multimodal transport. The implementation of trade facilitation measures and instruments, including regional, subregional and bilateral agreements, should be monitored closely;

(f) Landlocked and transit developing countries should establish and/or strengthen national trade and transport facilitation boards or committees involving all major stakeholders, including the private sector.

Priority 4
International support measures

38. The cost implications of meeting the requirements to establish and maintain an efficient transit transport system are often of such magnitude that the landlocked and transit countries cannot by themselves accomplish that formidable task. Many of the landlocked developing countries are among the poorest countries. Since most of the transit countries are themselves developing countries with limited resources, the development partners should take fully into account the special vulnerabilities and developmental needs of landlocked and transit developing countries in providing assistance to them.

39. The following **specific actions** are needed:

(a) The primary responsibility for implementing the present Programme of Action should rest with landlocked and transit developing countries. It is essential that they seek to create conditions in which resources can be generated, attracted and effectively mobilized to address their development challenges, including those that result from being landlocked. The international community, including financial and development institutions and donor countries, should play an important supporting role to enable those countries to deal effectively with their transit transport problems and requirements;

(b) A substantial increase is required in the mobilization of financial and technical assistance from all sources and existing mechanisms, including the private sector. External financial assistance should include grants and/or loans on the most concessional terms possible, based on need;

(c) The criteria and procedures used to evaluate the viability of transit transport infrastructure projects and programmes, as well as to approve the funds for them, should take into account the particular economic and institutional weaknesses and needs of landlocked and transit developing countries;

(d) Special attention should be given to financial and technical assistance in the areas of governance and institutional capacity-building in landlocked and transit developing countries to enable effective government policy-making and practices in addressing their transport and transit needs;

(e) Innovative modalities for financing, such as local costs and recurrent cost financing, untied aid and arrangements such as regional trusts and regional investment authorities should also be examined.

40. The following areas should be considered a priority for financial assistance:

(a) Investments designed to complete "missing links" in the transit transport chain to extend railways and roads to landlocked developing countries;

(b) Development of alternative cost-effective routes;

(c) The development of dry port projects in landlocked developing countries;

(d) Projects to establish adjacent border points;

(e) Joint projects in trade and production to help bolster subregional and regional trade;

(f) Rehabilitation of the transport infrastructure of countries afflicted by or emerging from war and internal strife and natural disasters;

(g) Increased access to bond markets and enhanced risk sharing between the financing organizations of the public and private sectors.

41. The following areas should be considered a priority for technical assistance:

(a) Promoting the implementation of agreed bilateral, subregional, regional and international transit agreements;

(b) Promoting social and market-oriented transit transport policies;

(c) Encouraging the exchange of experience related to the development and management of transit transport systems in different regions;

(d) Promoting and implementing privatization programmes within the transport sector, where appropriate;

(e) Establishing training programmes, inter alia, in the area of customs, including documentation and transit procedures; freight forwarding and clearing of transit cargo; road safety; environmental protection in the transit transport sector; transit insurance; dry port development and management; and expanding regional databases on road transport;

(f) Assisting Governments in elaborating the implications of acceding to relevant international conventions.

Priority 5
Implementation and review

42. The implementation of the present Programme of Action requires individual and concerted efforts by the landlocked and transit developing countries; their development partners; the organizations and bodies of the United Nations system; relevant international organizations, such as the World Bank, the regional

development banks, the World Trade Organization and the World Customs Organization; and other relevant regional and subregional organizations.

43. Regional and subregional cooperation is the most important element in establishing efficient transit transport systems and must be promoted on the basis of the mutual interests of both landlocked and transit countries. Arrangements must be established, where necessary, and further strengthened for regular review and monitoring of the implementation of transit agreements through public and private sector dialogue and consultations. The private sector should be actively involved in the implementation of the present Programme of Action.

44. The World Trade Organization, the World Bank, the World Customs Organization and other relevant international and regional organizations are invited to give priority to requests for technical assistance to supplement national and regional efforts to promote the efficient use of existing transit facilities, including the application of information technologies and the simplification and harmonization of procedures and documents.

45. The United Nations Development Programme and other multilateral funds and programmes, as well as the development partners of landlocked and transit developing countries, should consider providing resources to the United Nations Conference on Trade and Development and the regional commissions to continue providing technical assistance to regional and subregional transit transport projects in Africa, Asia and Latin America.

46. The United Nations Conference on Trade and Development needs to continue to consider programmes concerning electronic commerce, trade facilitation and trade issues in landlocked and transit developing countries. Its Special Programme for the Least Developed, Landlocked and Island Developing Countries should continue to carry out analytical work and technical assistance related to the transit transport problems of landlocked developing countries within its mandate.

47. South-South cooperation and triangular cooperation with the involvement of donors should be further promoted.

48. The regional commissions are invited to consider, as appropriate, further expanding their programmes to support the landlocked and transit developing countries in their efforts to improve their transit transport systems, and development partners are invited to consider providing the appropriate financial support in that regard.

49. Regional commissions, as appropriate, should continue to play a leading role in the implementation of the African action plan adopted at the African regional preparatory meeting in Addis Ababa on 7 May 2003, the Asian action plan adopted at the fifty-ninth session of the Economic and Social Commission for Asia and the Pacific in Bangkok on 25 April 2003 and the Asunción programme of action for Latin America adopted at the Latin American regional preparatory meeting in Asunción on 13 March 2003.

50. Specific subregional meetings should be organized in the period 2004-2005 to consider how to implement effectively the present Programme of Action and the regional programmes of action referred to in the preceding paragraph, including the possibility of establishing performance criteria and benchmarks to monitor and measure their implementation. The Office of the High Representative for the Least

Developed Countries, Landlocked Developing Countries and Small Island Developing States, the World Bank, the United Nations Conference on Trade and Development, the regional commissions and other relevant international and regional/subregional organizations are invited, as appropriate, to provide support to landlocked and transit developing countries in organizing those subregional meetings.

51. The Secretary-General of the United Nations is requested to organize a review by the General Assembly in 2008. The Office of the High Representative should coordinate the preparatory process for the review. The United Nations Conference on Trade and Development, the World Bank and the regional commissions are invited to provide substantive and technical assistance for that process.

52. The Secretary-General of the United Nations should submit annually a report on the implementation of the present Programme of Action to the General Assembly, including actions undertaken by individual landlocked and transit developing countries, organizations and bodies of the United Nations system, the regional commissions, and relevant international, regional and subregional organizations.

53. **In accordance with the mandate given by the General Assembly in its resolution 56/227, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is requested to, inter alia, enhance its cooperation and coordination with organizations within the United Nations system, particularly those engaged in operational activities on the ground in landlocked and transit developing countries, to ensure effective implementation of the Programme of Action. The Office of the High Representative will continue to carry out advocacy work to mobilize international awareness and focus attention on the implementation of the present Programme of Action.**